

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7347**

**BILL NUMBER: SB 444**

**NOTE PREPARED: Jan 6, 2009**

**BILL AMENDED:**

**SUBJECT:** Consolidation of Marion County Fire Departments.

**FIRST AUTHOR:** Sen. Merritt

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

*Fire Services:* The bill provides that on January 1, 2010, the fire departments of all of the following are consolidated into the fire department of the consolidated city:

- (1) The townships in the county containing the consolidated city.
- (2) A fire protection territory in the county containing the consolidated city.

It provides that a transfer of duties between units of government results in the transfer of property, equipment, records, rights, contracts (including labor contracts), and indebtedness.

It also provides that a firefighter who is a member of the 1937 or 1977 fund remains a member of the same fund after the consolidation. The bill requires the consolidated fire department to develop a strategic plan to determine resource requirements and resource deployments for the consolidated fire department.

*Emergency Responders:* The bill requires the mayor of the consolidated city to establish a professional standards board with responsibility after December 31, 2009, for establishing, validating, and maintaining emergency responder certification and credentialing requirements and procedures. It provides that the requirements and procedures must be in accordance with the National Incident Management System and appropriate national professional standards and certification organizations and boards. The bill also specifies that a subcommittee of the professional standards board, under the direction of a board-certified emergency physician, is responsible for certification and credentialing of emergency medical responders.

*Property Tax:* It exempts from the property tax levy limits any amounts imposed by the consolidated city or

the county to fund former township indebtedness.

The bill establishes a maximum property tax levy for the consolidated city for property taxes payable in 2010, 2011, and 2012 that is the sum of the city's 2010 maximum levy plus the combined amounts levied in 2009 by the townships for firefighting.

*Cumulative Building and Equipment Fund for Fire Protection:* The bill specifies that the balance in the cumulative building and equipment fund for fire protection and related services of each entity whose fire department is consolidated into the fire department of the consolidated city be transferred to the consolidated city's cumulative building and equipment fund for fire protection and related services.

*Excluded Cities:* The bill provides that the fire department of an excluded city in Marion County may provide fire protection in any area that: (1) is in the township in which the excluded city is located; and (2) is being served by the township fire department. It specifies that the fire department of an excluded city may provide fire protection under this provision only if: (1) the mayor and legislative body of the excluded city; and (2) the township legislative body; agree that the fire department of the excluded city shall provide fire protection in that area. It provides that the approval of the agreement by the township trustee is not required. The bill specifies that if the fire department of the excluded city provides fire protection under this provision in any area of the township, the fire department of the consolidated city is not responsible for providing fire protection in that area of the township.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *Department of Local Government Finance (DLGF):* The DLGF may incur additional expenses to adjust the maximum permissible property tax rate and levy. These functions are within the current scope of agency work.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary-* Fire protection services are to be transferred to the county from townships and fire protection districts. If the county can perform or contract for the performance of the duties and administrative functions of the townships or other consolidating entity governments more efficiently, cost savings will result.

Increased expenditures in the bill include one-time costs for transferring records and establishing standards for emergency responders.

*Fire Department Consolidation:* The consolidated fire department is to develop a strategic plan to determine the resource requirements and deployments based on risk-assessment models promulgated by the Center for Public Safety Excellence, Inc. or its successor. Any efficiency gained by consolidation of the fire departments will depend on the resource requirements and deployments enacted.

*Assignment of Property and Debt:* The consolidated fire department assumes or receives the personnel, agreements with labor organizations, indebtedness related to fire protection services and merit board duties. The consolidated city assumes the powers, duties, agreements, and liabilities of bonds or other indebtedness. Any property, equipment, records, rights, and contracts are conveyed to the consolidated fire department.

In addition, all township fire-related debt is assigned to the consolidated city. Under the bill, the city may not assume any amount of debt that would cause the consolidated city's total debt to exceed the current 2% debt limit, which equals 2% of 1/3 of the consolidated city's assessed valuation. The 2007 total township fire-related debt levy was \$4.2 M, and the only fire debt levy identified for an excluded city was \$467,700 in Lawrence.

*Pension:* After a consolidation, members of the 1937 Fund are to remain members of the 1937 Fund and members of the 1977 Fund are to remain members of the 1977 Fund. This should result in no fiscal impact.

*Fire Service Information:* There are approximately 35 fire stations in the eight suburban townships of Marion County.

**Explanation of Local Revenues:** *Fire Service District Maximum Levies:* Under this bill, the consolidated city's maximum levy for 2010, 2011, and 2012 would equal the city's 2010 current law maximum levy plus the 2009 fire protection levies for the consolidating units. The consolidating units' maximum levies for fire protection would be eliminated.

Under current law, a taxing unit's maximum levy may grow annually by the income-based growth quotient, around 3% to 4% per year. Under the bill, the city would not receive this levy growth in 2011 or 2012, and the 2012 levy would serve as the new base levy for growth beginning in 2013.

*Cumulative Fire Building Fund Levies:* Any balance in the township building and equipment fund for fire protection and related services transfers to the county and may be used by the consolidated city for funding land, building, and equipment for fire protection and emergency services. The bill would establish a cumulative fire building fund in the consolidated city. Cash balances remaining in the joining entities' fire cumulative funds on the consolidation date would be transferred to the consolidated city's cumulative fire fund.

The county is to assume township indebtedness or lease rental obligations for fire services and may levy property taxes in any area of the county where the county provides firefighting and emergency services. The county may not assume indebtedness that will exceed the limitations on the amount of indebtedness the county may incur.

The county executive may adopt an ordinance to impose fees for ambulance services provided by a county fire department.

**State Agencies Affected:** DLGF; LSA.

**Local Agencies Affected:** Marion County; City of Indianapolis; Townships in Marion County.

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106; Bob Sigalow, 317-232-9859.